

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Avista Corporation,)	
)	
Bonneville Power Administration,)	
)	
Idaho Power Company,)	
)	
The Montana Power Company,)	Docket Nos. RT01 -35-005
)	RT01 -35-007
Nevada Power Company,)	
)	
PacifiCorp,)	
)	
Portland General Electric Company,)	
)	
Puget Sound Energy, Inc.,)	
)	
<u>Sierra Pacific Power Company</u>)	

**MOTION TO INTERVENE AND COMMENTS OF THE
EUGENE WATER & ELECTRIC BOARD**

I. INTRODUCTION

On March 29, 2002, Avista Corporation, Bonneville Power Administration, Idaho Power Company, North Western Energy, L.L.C., Nevada Power Company, PacifiCorp, Portland General Electric Company, Puget Sound Energy, Inc. and Sierra Pacific Power Company, joined by British Columbia Hydro and Power Authority, a non-jurisdictional Canadian utility, (collectively, the “Filing Utilities”), provided to the Federal Energy Regulatory Commission (“Commission”) a Stage 2 Filing and Request for Declaratory Order Pursuant to Order 2000, in accordance with 18 CFR 35.43(c)(2) and (g).

Pursuant to Rule 214 of the Rules of Practice and Procedure of the Commission, 18 C.F.R. § 385.214 (2001), and the Commission’s April 9, 2002, Notice of Filing and the April 17,

2002 Notice of Extension of Time, EWEB respectfully moves to intervene in the above captioned proceeding. -

EWEB has a direct interest in this proceeding that cannot be adequately represented by any other party. EWEB issued bonds to finance the construction of thirty percent (30%) of the Trojan Nuclear Project. These bonds are secured by “net billing” arrangements that obligate the Bonneville Power Administration (“BPA”) to repay the bonds by providing either: (i) billing credits against power and transmission sales made to certain preference customers (net billing); (ii) direct cash payments to the bond trustee (direct payments); or (iii) a combination of net billing and direct cash payments. Under the Trojan Bond Resolution EWEB is required to take all reasonable actions to ensure that the security afforded by the net billing agreements, including BPA’s transmission revenues, is maintained until the bonds are fully amortized.

As a governmental entity, EWEB is not subject to Commission jurisdiction under the Federal Power Act. This motion to intervene, and any subsequent participation in this proceeding, shall not indicate a consent to Commission jurisdiction or a waiver of any right or defense held by EWEB.

In compliance with Rule 2010, 18 CFR § 385.2010 (2001), EWEB hereby designates the following persons for service of documents in this proceeding:

Dean Ahlsten
Eugene Water & Electric Board
P.O. Box 10148
500 East 4th Avenue
Eugene, Oregon 97440

J. Laurence Cable
Cable Huston et al. LLP
1001 SW Fifth Avenue
Suite 2000
Portland, Oregon 97204

II. COMMENTS OF EWEB

EWEB has joined with the Public Generating Pool, the Washington Public Utility Districts Association, the Western Public Agencies Group, the Springfield Utility Board and

Tacoma Power in the filing of a separate Protest on the Filing Utilities' Stage 2 Filing and Request for Declaratory Order Pursuant to Order 2000. In addition to that Protest, EWEB submits the following comments for consideration by the Commission.

A. PROTECT FULL SECURITY FOR TROJAN BONDS

EWEB strongly urges the Commission to reject any RTO proposal that may deprive BPA of the right to establish its transmission rates, or that may otherwise deprive BPA of any of the revenues currently earned from the sale of transmission rights or services. The Pacific Northwest Electric Power Planning and Conservation Act, 16 U.S.C. § 839c ("Regional Act"), for example, scrupulously ensures that net-billed bondholders will be paid through either net billing or direct payments. Specifically, BPA is required under the Regional Act to set its power and transmission rates at levels sufficient to meet its overall revenue requirement, which includes its net-billed obligations. Any RTO proposal endorsed or adopted by the Commission must adhere to the same principles.

EWEB's primary concern is that any RTO proposal might either limit BPA's ability to unilaterally set its transmission rates or provide some risk that the revenue from the use of the BPA transmission facilities would be reduced, restricted or encumbered before being paid over by the RTO to BPA for deposit into the Bonneville Power Administration fund established by the Federal Columbia River Transmission System Act, 16 U.S.C. § 838i(a). BPA must retain the right to establish its transmission rates and receive the revenue from the use of its transmission facilities unencumbered and without reduction or restriction. If BPA's rate setting authority or right to the full revenue for the use of the BPA transmission facilities is not protected in the RTO principles and procedures, then arguably the security afforded the net-billed bondholders through the Net Billing Agreements may be reduced.

B. RENEWABLE ENERGY RESOURCES

The RTO tariff must be non-discriminatory toward the development of renewable energy resources which are traditionally intermittent in nature, e.g., wind, solar and to some extent hydroelectric resources.

C. TRANSMISSION CONGESTION

The RTO planning and expansion process must emphasize least cost solutions to transmission congestion, including conservation and optimal siting of generation resources near load centers.

D. INFLUENCE TRANSMISSION

The RTO must not weaken the ability of local utilities, state utility commissions and siting boards to influence transmission and generation decisions and impacts in the Pacific Northwest.

DATED: May 29, 2002.

Respectfully submitted,

/s/J. Laurence Cable

J. Laurence Cable, OSB No. 71035
Tamara L. Townsend, OSB No. 95441
1001 SW Fifth Avenue, Suite 2000
Portland, Oregon 97204

Of Attorneys for EWEB

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served upon each party to this proceeding as reflected on the official service list compiled by the Secretary of the Commission.

☐ by **EMAILING** a full, true and correct copy thereof pursuant to the Commission's Electronic Filing Initiative; and

☒ by **MAILING** a full, true and correct copy thereof in a sealed, postage paid envelope, addressed as shown above, and deposited with the U.S. Postal Service at Portland, Oregon, on the dates set forth below;

DATED Wednesday, May 29, 2002.

/s/J. Laurence Cable

J. Laurence Cable, OSB No. 71035

Tamara L. Townsend, OSB No. 95441

Of Attorneys for EWEB